

OFFICE OF THE GOVERNOR  
STATE OF MONTANA

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## Young Ag Couples Conference

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Good morning. Thank you for asking me to join you as you start your day. I want to begin by wishing each of you a wonderful and prosperous New Year.

Above all, I would like to thank you for being here today. Agriculture is the backbone of our civilization, the lifeblood of our country, and the heartbeat of Montana. And you, young agricultural entrepreneurs, are our future. Agriculture is a profession of faith and hard work. As a producer, much is out of your control: the weather, global markets, the price of fuel and fertilizer. My hat is off to all of you and our administration is here to help. The role of the Montana Departments of

Agriculture and Livestock is to be ready help you succeed and find new opportunities.

As the Governor would say—and probably did say when he spoke with you yesterday—2006 was a pretty darn good year for Montana. Eastern Montana has seen a re-surgence in oil and gas activity as new technology is being employed to recover reserves that were previously thought to be unreachable. The economy of Western Montana continues to grow as businesses and people are attracted to our state's high quality of life, and our regional trade centers in Great Falls, Havre, Sidney, Bozeman and Billings are attracting new businesses and seeing strong growth in housing.

Today Montana's unemployment rate is at a record low of 2.8 percent. Last year total personal income grew at a

strong 5.4 percent. The strength of Montana's economy has also resulted in a budget surplus of nearly one billion dollars without increasing taxes. .

As you are aware, the 60th Session of the Montana Legislature convened this week. The Capitol is buzzing and full of energy. Legislators, and the people of Montana are coming together to participate in the democratic process. With a legislature that only meets every other year our lawmakers are citizens first and legislators second. This means that many of the people passing laws regarding the business of agriculture will be ranchers and farmers themselves. This means that people like you with experience and good ideas can get personally involved in the process of governing Montana. While here, come to the Capitol and meet your legislator, express your views. This is an exciting

time and I hope that you will stay informed and involved as the session proceeds.

Now, I would like to take a moment and talk to you about several features of the Governor's Budget for fiscal years 2008-2009 that I think will be of particular interest to you as agricultural producers.

The most important principle in our budget is one that agricultural producers understand very well: the principle of sustainability. The Governor has stated time and again that both expenditures and tax relief must be done in a sustainable manner. It is important to remember that although Montana has a budget surplus, the federal government is experiencing near record deficits and the majority of our state budget comes from the Federal

government. We want to ensure that the services and programs that we depend on will survive, therefore, we must proceed with the same fiscal caution that any small business or ranch owner would.

For 33 years I owned a small business in Billings. When we had a good year we saved because we knew that not every year would be as good. We spent our money wisely and always had something to fall back on during the bad years. In this way we were able to sustain our business and grow a little bit every year.

To meet these ideals of sustainability Governor Schweitzer is asking the Montana Legislature to practice fiscal responsibility and restraint during the 2007 Legislature. We have proposed a cap on state spending, a moratorium on

new debt, and the creation of a statewide rainy day fund: the Big Sky Savings Account.

Good spending means good investments, and we are investing in Montana's future by suspending the water fee imposed by the 2005 legislative session. We have the general fund dollars available to complete adjudication at a cost of \$20 million without further burdening Montana families. Today Montana is the third largest wheat and wheat commodity exporter in the country. The little water we have is coveted by other states. We need to complete adjudication for all Montanans, and, with the Legislature's help, we can get this done without imposing an additional fee on claim holders.

You know better than any the threat of noxious weeds in Montana. They reduce land productivity and make it harder for farmers and ranchers to earn a livable income. To help address this issue Governor Schweitzer and I are committed to expanding Montana's war on weeds. To this end, we are requesting a one-time deposit of \$5 million to nearly double the size of the constitutionally protected Noxious Weed Trust Fund. This additional money will allow the state to provide more grants to county weed districts, local governments, and researchers.

We are asking the Legislature to pass legislation that will allow for the State of Montana to move forward with litigation against the Surface Transportation Board for their failure to meet the requirements of federal law and determine a fair shipping rate for Montana's captive shippers. Why is it that

the mid-west farmers can ship grain to west coast ports for less than Montana's farmers?

We are asking the Legislature to support an appropriation to reestablish a Montana Federal Relations office in Washington, DC. This office will greatly improve our ability to keep federal decision makers informed and up to date on the concerns of Montanans. The 110<sup>th</sup> Congress is scheduled to reauthorize several pieces of legislation that will have enormous impacts to our state. First and foremost on this list is the reauthorization of the Farm Bill, a bill that, as you know, has major ramifications for Montana Agricultural producers. A Federal Relations office would also help Montana move forward with our collective efforts to ensure that Congress authorizes the Dry-Redwater, Central Montana, and St. Mary's Canal rural water projects. Montana



is one of only five Western states without a state office in Washington DC and we need eyes, ears, and a voice to monitor federal policy proposals.

In addition to \$150 million tax relief for business and homeowners, our budget invests in Montana's future, our children, with \$230 million of new money for K-12 education. Our budget also includes \$50 million to freeze college tuition.

As your Lieutenant Governor, I am co-chair of two committees that directly relate to agriculture. The first is the St. Mary's canal working group, which I mentioned earlier. The second is the Montana Drought Advisory Committee. The Drought Advisory Committee has a wealth of expertise that is available to you and currently collaborates with the Montana Committee on Climate Change to develop

strategies to cope with a warming climate. We all remember last July when the mercury soared to 10 degrees above normal for an extended period of time. Reduced snow pack and glacier melt, earlier runoff, and hotter summers will impact any Montanan who makes a living off the land. We need to hope for the best and be prepared for something else.

What new challenges lie ahead for you and Montana? Here, today, we are looking at the future of agriculture in Montana. It has been said that life's only constant is change. Change doesn't mean we have to lose the traditions and lifestyles of our predecessors or that the future generations will not have the same opportunities that we have. But change does mean we have to be smart, work together, and be willing to fight for what we love. You are Montana.

Governor Schweitzer and I are dedicated to keeping Montana the last best place. You and your families are key to the Montana way of life. We thank you for who you are and what you do.

I hope you enjoy your time in Helena, the Queen City of the Rockies. Thank you for coming.